PETROLEUM TANK RELEASE COMPENSATION BOARD
MINUTES
Business Meeting
July 23, 2007
Department of Environmental Quality
Metcalf Building Room 111, 1520 East 6th Avenue
Helena, MT

Board members in attendance were Theresa Blazicevich, Greg Cross, Karl Hertel, AJ King, Adele Michels, Steve Michels, and Roger Noble. Also in attendance were Terry Wadsworth, Executive Director, and Paul Johnson, Board attorney.

Presiding Officer Cross called the meeting to order at 9:59 a.m. He introduced the two new members and welcomed them to the Board. They are AJ King, as representative of the banking industry, and Karl Hertel, as representative of the insurance industry.

Mr. Wadsworth remarked that the Governor had reappointed Presiding Officer Cross and Mr. Noble to the Board and welcomed them back to the Board.

Approval of Minutes

Mr. Noble moved to accept the minutes of the May 21, 2007 Board meeting. Ms. Michels seconded. **The motion was unanimously approved.**

Eligibility – Sleeping Buffalo Hot Springs, Saco, Facility #36-06664, Rel. #4246

Mr. Wadsworth noted this is a case where the owner/operator failed to upgrade or close an underground storage tank system. The system was not closed until after the owner/operator received an Administrative Order from the Department. DEQ notified the owner on September 22, 1998 that the tanks did not meet upgrade requirements and had to be closed by December 22, 1998. A final notice letter was sent on December 4, 1998. In January 1999 the owner notified DEQ that the tank was last used on December 22, 1998 and placed in temporary closure. The tanks were emptied in March 1999. Once a tank has been placed in temporary closure, it must be permanently closed or brought into compliance within one year, which did not occur. On February 22, 2001 the owner/operator was issued an Administrative Order for failure to permanently close the USTs and notify the Department of change of ownership. The tanks were removed May 1, 2001 and contamination discovered and reported. All conditions of the administrative order were satisfied on June 21, 2001. The pertinent laws and rules are 75-11-308, MCA (1999) and ARM 17.58.326 (Oct 8, 1999) and ARM 17.56.201 and 202. The staff recommended that the Board deny eligibility.

Ms. Blazicevich moved to accept the staff recommendation and deny the release eligibility. Mr. Michels seconded. No representative of the owner rose to contest the motion. **The motion was unanimously approved.**

Dispute of Claim Adjustments – Reedpoint Sinclair, Reedpoint, Fac #48-01521, Rel. #838

An Administrative Order (AO) was issued on the facility on May 1, 2006 and resolved April 20, 2007. The facility was out of compliance for more than 180 days, resulting in no reimbursement, according to §75-11-309, MCA and ARM 17.58.336(7). The AO was issued for failure to conduct release detection monitoring and failure to maintain records. The facility was missing seven of twelve months of records for two tanks and three of twelve months for another tank. The facility also failed to receive a passing inspection 90 days prior to the expiration of an operating permit. A penalty of $400 was assessed, with and additional $400 suspended. The release detection records and penalty were received late, and the suspended portion of the penalty was assessed on August 8, 2006. Some of the required records and the penalty payment were received on August 31, 2006. A further violation letter was issued for failure to submit monthly records within the required time on September 7, 2006. The requirements of the AO were satisfied on April 20, 2007. The staff is recommending zero reimbursement, based upon the PTRCB rule.

Mr. Wadsworth reminded the Board that this is a difficult set of violations for the owner/operator to cure, because the law requires that twelve months of detection records be maintained. If some months are missing, it may take considerable time to come back into compliance. He noted, however, that the monthly records that were required to satisfy the order in this instance were not delivered to the Department in a timely fashion as required.

Mr. Noble asked why only some of the records were provided with the initial penalty payment.

Dan Kenney, Enforcement Case Manager, noted that the owner/operator did submit records, but of those records only March through June 2006 were acceptable. The remainder contained a "low-level test error," meaning there was not enough product in the tank to accurately detect leaks from the portion of the tank that would normally contain product.

Julie Pratton, owner of the facility, stated that she and her husband were unaware that the records they obtained from their monitoring system were not acceptable until the compliance inspection. They do not keep their tanks full, since there is not enough business in the Reedpoint area to allow them to do so. After the compliance inspection they installed a CSLD chip in the monitor to take into consideration the lower levels of fuel, and ran twelve consecutive months of tests, which left them out of compliance for more than 180 days. Since installation of the chip, all tests have passed the system.

Mr. Noble noted that the Pratton's made a valid effort to try to remedy the situation.

Presiding Officer Cross noted that the Board was originally developed to help protect the small operators from the cost of cleanup. It has evolved into something much different today, covering a wide range of obligations and expenses. Typically, the smallest operators have the least ability to comply.

Ronna Alexander, Petroleum Marketers Association, reminded the Board that the Department has changed its policy with regard to severity of this type of violation and its process for issuing notices of violation. She suggested that the Board members keep that in mind when making their decision.

Mrs. Pratton remarked that, until the three-year compliance inspection was done, there were no problems with their process. They have installed the chip, paid the fine and are currently in compliance and operating.

Mr. Kenney clarified a statement made by Mr. Wadsworth. There were two tanks missing seven months of records and one tank missing three months of records for the twelve month period. If a tank has nine months of records, the violation is considered minor and is often not enforced. However, if a tank has fewer than nine months of records the penalty calculation takes into account the number of months of records that are missing. He noted that the owner/operator submitted the requested records and the penalty payment late. Two additional violation letters were sent due to failure of the owner/operator to comply with the Administrative Order timeline. When several violation letters are required to achieve compliance, the significance of the violation of the Department order is raised, and the amount of the penalty increases.

Mr. Noble moved to reimburse at ninety percent on the site. Mr. Hertel seconded. **The motion passed** by a vote of five in favor and one opposed. Presiding Officer Cross did not vote.

Mr. Noble noted that in previous meetings the Board allowed a similar reimbursement percentage based on the egregiousness of the violation. In this case it does not appear to be egregious. Pursuant to ARM 17.58.336 the Board has discretion in how the claim is evaluated. In this case he did not see a significant increased threat to public health or the environment, there was no significant additional cost to the fund, and the delay in the reporting appears to be a combination things in the of operation of the system, and the owner/operator corrected the problems by installing the new chip in the system.

Claim Adjustments – Cenex Supply & Marketing, Havre, Fac #21-07467, Rel. #826

In this matter, an AO was issued on March 16, 2006 and resolved on September 26, 2006. The facility was out of compliance for more than 180 days. The AO was for failure to conduct release detection monitoring and maintain records. The facility was missing twelve months of records and records indicate that the last time release detection was conducted was a year and a half earlier. The penalty requested was $1,200.

Mr. Kenney, the compliance case manager, stated that the September 25, 2005 compliance inspection report noted that leak detection records for the previous twelve months were not available. In addition, the UST system records showed that the last test was conducted on February 26, 2004. The lack of monthly records constituted violations of the Montana Underground Storage Tank Act. The Department sent a warning letter in October 2005 notifying the owner/operator of the deficiencies and a corrective action plan (CAP) that included a time table for the owner/operator to come back into compliance. If the owner/operator had leak detection records available, they could have provided them to the Department and may have been able to come into compliance without being subject to enforcement action. As part of the CAP, the facility was required to be re-inspected on/or before December 24, 2005 and was not re-inspected until January 2006. That inspection found that only five months of records were available, September 2005 through January 2006. In July

2006 Cenex Harvest States (CHS), the owner/operator, submitted leak detection records as far back as February 2004, and the records began again in June 2006. There was still a time period for which records were not received. The Department requires 12 months of leak detection records to be available on site at all times. By September 2006 twelve months of records had been received and an operating permit was issued. The June 2006 records were not received on time and as a result an additional penalty of $1200 was imposed, with all but $120 suspended, since the owner/operator had indicated that the records had been mailed, but the Department did not receive them.

Dan Johnson, General Manager for Milk River Cooperatives, operator of the facility, addressed the Board. At the time these events occurred, there was a personnel change. The out-going manager was training the new manager, and Mr. Johnson was not aware that the new manager was not told to keep the printouts from the monitoring device. The system prints a daily tank status, and those were not kept. He stated that they have two other facilities and that those facilities have retained the records. The monthly records were sent to the corporate headquarters in Minnesota, as well as to DEQ. The corporate office did receive their copy of the June 2006 report that was not received by the Department, so he knows it was sent. He noted that the facility was the first in the community to upgrade their tanks when the law required.

Mr. Hertel asked what the total cost had been to Cenex to date.

Mr. Kenney stated there had been an initial penalty of $1200, with an additional $120 for the June 2006 records that were not received. He pointed out that the original inspection showed that no release detection had been conducted between February 2004 and the date of the inspection in September 2005. Therefore, no one would have known if a release was occurring, for a year and a half. In addition, there has been a release at the site in the past.

Ms. Blazicevich asked if the facility had automatic tank gauging (ATG). If ATG was present, an alarm would have sounded if there had been a release.

Mr. Kenney noted that she was probably correct, but without records there is no way to know if the alarm was working, whether the system was being properly operated, or if an alarm had been shut off. The Department's position at the time was that the lack of leak detection records shows that leak detection is not being performed. The Department requires that a leak detection test be run once every thirty days to determine if the system and alarms are operating properly. The results of the test must be printed out and maintained on-site or in a readily accessible place, and available to the Department or Department's representative, upon request.

Mr. Noble asked how extensive the release at the site was, how much has been spent to date and approximately now much work the Department feels remains to be done on the site.

Jerry Eide, environmental person with CHS, stated that the release occurred before 1993 and was discovered when the tanks were replaced. The tanks were upgraded well before the 1998 deadline. There was a pump and treat system at the site for a while in the 1990s. The Burlington Northern rail yard problem is nearby, as well, so the site is not likely to be remediated quickly. There have been no other releases. He pointed out that the facility uses daily records for daily inventory evaluation, so it is not that there were no records available at all. Tank status is printed out every morning. Since they were tracking daily inventory, if there had been a leak, it would have been detected.

Ms. Blazicevich noted that monthly records can be created from the daily records.

In an effort to fully answer Mr. Hertel's question on costs, Mr. Wadsworth noted that over $340,000 has been spent on corrective action for the release to date. There are no claims awaiting payment at this time and the last claim was received in January 2006.

Mr. Noble asked if the penalty imposed by the Board would apply to new or existing releases.

Paul Johnson, Board attorney, noted that the sanction will apply to the whole facility.

Mr. Wadsworth noted that whatever sanction is determined will be applied to the release(s) currently existing at the facility. Releases discovered in the future would not be subject to the penalty.

The matter was temporarily tabled to allow for additional information to be obtained. The meeting proceeded with other agenda items and the matter returned to the floor following a short break.

John Arrigo, Acting Chief of the Hazardous Waste Cleanup Bureau, introduced Donny McCurry, case manager for the site. Mr. Arrigo indicated that more work is needed on the site. The release was gasoline, discovered in 1991. There is no free product, but analytical tests still record 20,000 ppb benzene in the groundwater. A soil-vapor extraction (SVE)

system and a groundwater pump-and-treat system have been used at the site, though they are not active at this time. DEQ has requested installation of four more monitoring wells, but due to the Fund shortage, the consultant will delay any work on the site.

Ms. Michels asked if there is a threat to public water supplies from the release.

Mr. Arrigo noted that most of Havre is on city water, so the release is probably not a threat to water supplies.

Ms. Blazicevich moved to reimburse 90% of each claim. She believed there was one month that was not reconciled correctly, they were doing daily inventory, and an automatic tank gauging system was in place that should have indicated if a release had occurred. There was no release discovered, so no further known damage occurred to the environment as a result of the failure to maintain records. A 10% penalty should be imposed for their failure to keep the records according to state regulations. Ms. Michels seconded. Two voted for the motion, with four voting against. **The motion failed.**

Mr. King moved to reimburse at 70%. There was no second. The motion died.

Mr. Noble moved to reimburse at 60% on future claims. He believes the violation was more egregious than Ms. Blazicevich indicated in her motion. The situation is similar to that at On Your Way, where the Board imposed a 40% penalty. Mr. Noble indicated his motion was an effort to be consistent with prior decisions, and was also based on the fact that the owner/operator was out of compliance for quite a while and is a large company that should be aware of and implementing all the applicable regulations. Mr. Michels seconded. **The motion was unanimously approved.**

Eligibility Ratification

Mr. Wadsworth informed the Board of the eligibility applications before the Board. There are recommendations for eight sites to be eligible (see table below).

Board Staff Recommendations Pertaining to Eligibility
From March 21, 2007 thru May 21, 2007

Location	Site Name	Facility ID #	DEQ Release # Release Year	Eligibility Determination – Staff Recommendation Date
Glasgow	Former Rodgers Bulk Plant	53-13718	4344 6/7/04	Eligible – 5/17/07
Florence	Atwater Residence	99-95045	4568 3/30/07	Eligible – 5/22/07
Marion	Moose Crossing Inc	15-10015	4459 3/31/05	Eligible – 5/22/07
Lavina	Rocky Mountain Garage	60-15067	4564 1/24/07	Eligible – 5/25/07
Billings	Elk River Concrete Products	56-05418	4549 2/14/07	Eligible- 5/25/07
Laurel	Pelican Truck Plaza Inc	56-00626	4546 1/25/07	Eligible – 5/25/07
Butte	Former Roberts Rocky Mountain Equipment	47-04929	4449 10/4/05	Eligible – 6/11/07
Chester	Gagnon Farm Inc	26-03825	3928 5/9/00	Eligible – 6/21/07

Mr. Noble moved to accept the staff recommendations. Mr. Michels seconded. **The motion was unanimously approved.**

Claims over $25,000

Mr. Wadsworth presented the Board with the claims for an amount greater than $25,000 reviewed since the last Board meeting. (See table below). There are three claims totaling $169,117.87. The claim for On Your Way Inc. will be reduced due to the penalty approved by the Board at the February 2007 meeting. All the claims are for soil excavation. He noted that, once the Board makes a determination on these claims, they will be placed in line to be paid, based on their final review date.

Location	Facility Name	Facility ID#	Claim #	Claimed Amount	Adjustments
Great Falls	On Your Way Inc	07-09699	20070430M	$27,036.24	$16,221.74
Helena	Malfunction Junction Sinclair	25-01315	20070504A	$108,650.75	Copay met with this claim
Laurel	Former Interstate Exxon	56-01068	20070511I	$33,430.88	
Total				$169,117.87	

Mr. Noble moved to ratify the claims. Mr. Michels seconded. **The motion was unanimously approved.**

Weekly Reimbursements

Mr. Wadsworth presented to the Board for ratification the summary of weekly claim reimbursements for the weeks of May 16, 2007 through July 4, 2007. (See table below). There were 308 claims, totaling $852,222.89. He pointed out that there are eleven zero reimbursement claims included in the request for ratification. Six of these were claims for the Hightower property which was declared ineligible at the Board's May meeting. One claim was denied due to an administrative order, one was withdrawn by the claimant, two claims, for Allen Oil Bulk Plant, were denied as a result of the dismissal of an appeal of eligibility determination, and one was for work not covered by the Fund.

WEEKLY CLAIM REIMBURSEMENTS
July 23, 2007 BOARD MEETING

Week of	Number of Claims	Funds Reimbursed
May 16, 2007	81	$197,476.95
May 30, 2007	49	$100,647.79
June 6, 2007	24	$119,355.05
June 13, 2007	33	$99,842.57
June 20, 2007	47	$102,158.89
June 27, 2007	41	$105,002.83
July 4, 2007	33	$127,738.81
Total	308	**$852,222.89**

Mr. Hertel moved to ratify the weekly reimbursements. Mr. Michels seconded. **The motion was unanimously approved.** Ms. Blazicevich abstained from the vote insofar as it pertained to North Star Aviation.

The meeting was recessed briefly, then returned to an earlier tabled matter (see above) before proceeding to the next agenda items.

Corrective Action Prioritization / Cash Reserve

Mr. Arrigo presented the prioritization system the Department is developing. The process is nearly complete. The system is intended to help the Board decide how to prioritize reimbursements, if the Board chooses to do so. The Department will not prioritize by holding off on approval of plans. The current system is numerical, on a scale of 1 to 100. The system assigns points for various elements, such as groundwater pollution, soil contamination, vapors, utilities, drinking water threatened. The current system does not give a good indication of the relative risk, so they have been working on a more appropriate system. The new system will retain a numerical prioritization system, with priorities from one through eight. The number will also relate to the status of the site. The proposed categories are: #1 High Priority Investigation, #2 High Priority Remediation, #3 Medium Priority Investigation, #4 Medium Priority Remediation, #5 Low Priority Remediation, #6 Ground Water Management, #7 Pre-Closure Assessment, and #8 Pending Closure. The project managers are currently evaluating their cases and reprioritizing them. The Board staff will then be able to use that information to decide where to obligate money in the future.

Presiding Officer Cross noted that Mr. Trombetta will return in October and asked whether the changes Mr. Arrigo has made will continue after he is gone.

Sandi Olsen stated that the intent is for Mr. Trombetta to pick up where Mr. Arrigo leaves off. Mr. Trombetta has been kept informed throughout the development process and is agreeable to all the changes that have been made.

Mr. Arrigo noted that the Department will be constantly re-evaluating the site priorities and that the database is being modified to enable retention of historical priority designations.

Mr. Noble noted that this is a good step in the right direction.

Mr. Arrigo mentioned that the Petroleum Marketer's Association sent a letter to an owner/operator recommending that he appeal to the Department for an extension on a work plan. The Department will grant extensions in some instances, but will not do so if it is a high priority investigation or high priority remediation. The Department will want the extension documented in writing, with a financial analysis that will demonstrate financial viability.

The Director has determined that in the case of lower priority sites, if work is delayed because of slow reimbursement, the Department will probably grant an extension, and not take an enforcement action to force the owner/operator to do the work. In the case of high priority sites, the work must be done, regardless of the status of reimbursement.

Mr. Wadsworth reminded the Board that the staff is trying to balance available funds against claim activity. The staff has placed a "gate" at the point of cost review. A high priority site will have funds obligated to the work plan. A letter is sent out that informs the consultant and owner/operator that money has or has not been obligated to the work plan requested. If money has not been obligated, the contractor can either delay the work until money is obligated for the work, or perform the work, knowing that reimbursement will be delayed. Claims for work done on an obligated work plan will be paid first. However, at this point, there are close to $2 Million in claims that were received and reviewed before this system was put in place. Those claims must be reimbursed before any others.

2009 Legislation

Presiding Officer Cross noted that the Board has borrowed money twice before. Each time the goal has been to take care of current obligations, and to modify the program to forestall the need for future borrowing. As yet, the second effort has not been successful. Now the Board is considering borrowing money again. Borrowing is a short term fix, and there must be legislative proposals for the 2009 legislature that will help fix the program.

Mr. Wadsworth reminded the Board of the potential legislative matters that have been discussed at prior Board meetings. These topics include: double wall tanks; whether and how to cover ASTs; old liabilities; private insurance; a fee increase; a change in the co-pay structure, either as an incentive to private insurance or to encourage more owner/operator involvement; removal of heating oil tanks from the fund; creation of two funds, one to cover genuinely new releases, and one to address historical contamination and "found" tanks.

The current statute does not require a co-pay for double wall tanks. This was an incentive to owners/operators to install double wall tanks when upgrading their facilities. As a result of the Energy Act of 2005, the Department will be making double wall tanks required, rather than voluntary. Therefore, the Board may wish to require a co-pay, as well.

The Board needs to address what to do about old claims that were suspended, for various reasons, more than five years ago and that have never been settled.

There has been some discussion about the role private insurance should play with regard to petroleum contamination within the state, and how that would mesh with the Fund.

Mr. Wadsworth noted that an increase of one quarter of a cent in the fee collected would bring in $2 Million per year. Presiding Officer Cross suggested that any fee increase legislation be drafted to require that the first $2Million in increased funds be used to pay off any loans outstanding, in the event the Board borrows more money.

There have been different proposals for changing the structure of the co-pay. One suggestion is to simply increase the dollar amount of the co-pay from half of first $35,000 to half of some larger number. Another alternative previously discussed is to increase the amount of the co-pay required for each release at the same facility. This may encourage better operating procedures, and encourage owners/operators to clean up small releases without recourse to the Fund.

The Fund Solvency subcommittee has evaluated various legislative options, including having the Board staff hire the Contractors on Petrofund Sites and take over the management of the cleanup process. If that were done, the Board could attempt to reduce costs by such strategies as statewide contracting. In addition, the subcommittee investigated requiring three competitive bids on all phases of work performed at a site, disallowing third party costs, and disallowing work plan preparation costs.

Ms. Alexander addressed the Board. She noted that the letter Mr. Arrigo mentioned earlier was sent to all members of the Association, and many non-member operators of petroleum facilities, as well. The purpose of the letter was to notify as many people as possible of the condition of the Fund and urge owners/operators to remain involved in remediation of contamination on their sites. In many cases, once the co-pay is met, the owners/operators lose interest in the process, because they are not directly affected by any future costs, until the $1 Million cap is reached.

The Marketers believe that the Department can do a better job being part of the solution to the Fund's financial condition through establishing a reasonable prioritization system. The 2003 Legislative Audit recognized that the Department has the ability and legal authority to establish a system. Unfortunately, it appears that the Department is putting the responsibility for the financial priority on the Board and not using their priority system to make reasonable decisions about the need for work. She noted that the industry may be willing to help with the Fund solvency, in the form of expanded deductibles, possibly using private insurance or other suggestions, but only if there is cooperation from the Department and the Board, as well. The Marketers are not willing to take on the whole burden alone. She is concerned that if the Board borrows money, the pressure will be off the efforts to make any changes to the program and nothing will get done. Whatever legislation is developed, the Board and the Department will need industry support for it to be passed.

Mr. Noble stated that he agrees with Ms. Alexander. All parties must be willing to work to solve the Fund's solvency problem, including DEQ, as well as the Board and the Marketers Association.

Ms. Olsen agreed, and noted that there are only three Board meetings left before legislative proposals must be submitted to the Governor's office. Any proposed legislative initiatives must be included in the Executive Planning Process by early Spring 2008.

Tom Livers, Deputy Director, noted that the Department and the Governor's staff have evaluated the last legislative session and the Department let them know that the issue of the fee increase will be addressed again in 2009. It will be necessary to provide clear and convincing evidence that a fee increase is necessary and desirable.

Board of Investments

The Board currently has two loans with the Board of Investments, a 1997 loan and a 2002 loan. The 1997 loan has a balance of $75,245 and will be paid off in August, 2007. The 2002 loan for $2.5 Million has a balance of $588,000, with five years remaining until pay-off. The payment is roughly $75,000, twice a year. On the Board's instructions, the staff has discussed authorization for a loan of $2.5 Million with the Board of Investments. The Board of Investments will meet on August 21, and review the Board's request. At the September meeting, the Petro Board will need to make a decision whether to borrow money to pay the claims that are currently awaiting payment.

The Board could determine to borrow money to take care of the current backlog, and begin reimbursing obligated claims immediately. In the alternative, the staff could obligate the majority of the anticipated income, while setting aside a certain number of dollars a month to address those claims, and begin to eat away at the backlog of claims slowly. If the Board chose to do so, the staff could obligate all the anticipated revenue, and only address prior plans when there are un-obligated funds available.

Fiscal Report

Mr. Wadsworth pointed out the fiscal report and the projected negative fund balance. He noted that the final fiscal year-end figures were not yet available, but will be provided at the next meeting. He pointed out that the accrual for fiscal year 2008 is $1.8 Million, whereas the accrual for fiscal year 2007 was approximately $400,000. The Board pays roughly $300,000 in claims per month, so the FY2007 accrual was slightly more than one month worth of claims, while the FY2008 accrual is approximately 6 months worth of claims. This is a direct result of the sharp increase in the number of work plans requested and approved over the past year.

Board Attorney Report

Mr. Johnson pointed out that some of the denied claims addressed with the weekly reimbursements earlier in the meeting were as a result of the dismissal of the Allen Oil MAPA proceeding. He gave a brief update on the briefing schedule in the Dillon Town Pump Supreme Court case. The Board filed its brief on July 10. Town Pump, who appealed the case, will have one more opportunity to respond with a reply brief. The Court will then decide how it wants to classify the case. It will either be classified to be decided on the briefs, or oral argument. He expects a decision on classification to be made near the September Board meeting.

The status of the remainder of the matter is as stated in the table below.

Location	Facility	Facility # & Release #	Disputed/ Appointment Date	Status
Boulder	Old Texaco Station	22-11481 Release #03138	Eligibility 11/25/97	Dismissal Pending because cleanup of release completed.
Thompson Falls	Feed and Fuel	45-02633 Release #3545	Eligibility	Case was stayed on 10/21/99.
Eureka	Town & Country	27-07148 Release #03642	Eligibility 8/12/99	Hearing postponed as of 11/9/99.
Butte	Shamrock Motors	47-08592 Release #03650	Eligibility 10/1/99	Case on hold pending notification to Hearing Officer.
Whitefish	Rocky Mountain Transportation	15-01371 Release #03809	Eligibility 9/11/01	Ongoing discovery. No hearing date set.
Lakeside	Lakeside Exxon	15-13487 Release #03955	Eligibility 11/6/01	In discovery stage.
Helena	Noon's #438	25-03918 Release #03980	Eligibility 2/19/02	Case stayed.
Belt	Main Street Insurance	07-01307 Release #3962		Eligibility tabled 6/25/01 currently Insurance coverage
Dillon	Town Pump #1	01-08695 Release #4144	Eligibility – contested 03/07/05	
Great Falls	On Your Way	07-09699 Release #3633	Adjustment to future claims	**Hearing requested 2/15/07 Awaiting identification of attorney**
Lewistown	On Your Way	14-09853 Release #3790	Eligibility contested	**Hearing requested 2/15/07 Awaiting identification of attorney**
Whitefish	Stacey Oil - Don Gray	15-04428 Release #1034	Adjustment to future claims	**Hearing requested 2/15/07 Awaiting identification of attorney**
Silver Gate	Hightower property	56-14109	Eligibility contested 5/29/07	**Hearing requested 5/29/07. Hearing stayed until Supreme Court rules in Dillon matter**

Board Staff Report

Mr. Wadsworth noted that no eligibility applications were received in May. The eligibility applications received for the period January through May, 2007 are down 25% over the same period in 2006. It is hoped that that trend continues. Claims received are roughly equal for the same period in both years. The value of claims received increased by 15% between 2005 and 2006, and 38% between 2006 and 2007. For the period January through June 2007, the value of the claims received was $4.51 Million. During the same time period, the MDT revenue increased by less than 0.1%

Presiding Officer Cross noted that in eastern Montana, the tourism revenue is down about 7% for the year, so far.

Petroleum Release Section Report

Mr. Arrigo stated that through July 16, 2007, 34 new releases were identified, and 29 releases resolved. 41% of the new releases were through spills or overfills, with 30% due to mechanical or equipment failures. He said that an automatic line leak detector (LLD) is required to detect a leak of 3 gallons per hour (gph) or more. If a leak occurs that is less rapid than that, it may go undetected for an extended period of time. Such leaks are sometimes detected only through use of an annual precision line tightness test.

Public Forum

Ms. Michels suggested that a Board orientation session would be helpful to the newer members.

Ms. Alexander stated that she feels a history of the development of, and changes to, the Board and its governing statute would be helpful, and volunteered to provide that piece of an orientation session. She also suggested a legal perspective on the powers and duties of the Board, and a fiscal summary and an explanation of the role of the Department.

The next scheduled Board meeting is September 17 23, 2007, in Room 111 of the Metcalf Building, 1520 East 6th Avenue, Helena, MT.

Meeting adjourned at 12:38 p.m.

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Greg Cross - Presiding Officer